(ii) *Other Crops.*

Potatoes are of twofold importance, for not only are they a staple article of diet in many cases, but they are also used for distilling vodka and other spirits, particularly in Estonia. Estonia's production during the period tended to fall off, however, as the Russian market for spirits was lost, though there was a notable rise in yield by the end of the period. In Latvia, and still more in Lithuania, there were considerable increases in gross production and yield. The figures are as follows:

TABLE 17. *Potato Production*

	Area under crop annual average ('000 ha.)			*Production annual average ('000 quintals)*			*Yield per ha. annual average (quintals per ha.)*		
	1909–13	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*
Potatoes									
Estonia .	80	70	67	8,340	7,014	7,570	104·6	100·2	113·0
Latvia. .	80*	72	85	6,385*	6,707	8,458	80·3*	93·2	99·2
Lithuania .	119*	156†	141	7,959*	17,170†	15,261	66·8*	110·1†	108·2

* Not including the whole territory.
† 1922–5.

Apart from fodder, flax, and other industrial crops, both of which are referred to below, the only other crops of importance during this period were peas, beans, and lentils, which were grown in all three countries. The growing of sugar-beet received much State encouragement in Latvia and Lithuania after 1931 and will be dealt with below.[1] Fruit-growing in the Baltic States is not extensive.

(iii) *Flax.*

Before the War and during the first few years that followed it, flax was one of the most important commodities exported from the Baltic States. Livonian flax, grown in territories which now belong partly to Latvia and partly to Estonia, is still one of the best standard grades, while some 12 per cent. of the world's flax was produced by these three countries in 1925. But, during this period, the Baltic States had to contend with numerous difficulties, of which the two most important were the increasing competition from Russia and the difficulty of cultivating on a large scale an industrial crop such as flax where the land had been divided into small-holdings. Except in Lithuania there was a steady decrease in the production and yield, as shown in Table 18 on p. 112.

The only other important industrial crops which were grown during

[1] See below, pp. 147–8.

248 this period were hemp and linseed, small quantities of which were exported.

TABLE 18. *Flax Production*

	Area under crop annual average ('000 ha.)			*Production annual average ('000 quintals)*			*Yield per ha. annual average (quintals per ha.)*		
	1909–13	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*
Flax									
Estonia .	42	30	34	169	101	95	4·0	3·4	2·8
Latvia* .	70	53†	61	302	213†	196	4·3	4·0†	3·3
Lithuania* .	55	61	66	242	312	339	4·4	5·1	4·0

* Latvia: flax and hemp 1909–13; Lithuania: flax and hemp throughout. † 1922–5.

3. DAIRY FARMING AND STOCK-BREEDING

231 234 The comparative position of these countries can be seen from the following table:

TABLE 19. *Statistics of Live Stock*

/(i) *Total number of live stock*
(In 000's)

	*Estonia**		*Latvia**		*Lithuania*	
	1913–14	*1930*	*1913*	*1930*	*1913*	*1930*
Cattle . .	478	627†	912	1,026	918	1,170
Pigs . . .	275	290	557	523	1,358	1,136
Horses . .	165	204	320	359	451	559
Sheep . . .	518	467	996	873	1,152	1,097‡

(ii) *Number of live stock slaughtered*
(In 000's)

	Estonia		*Latvia*		*Lithuania*	
	1923	*1930*	*1923*	*1930*	*1923*	*1930*
Cattle . .	75	63	118	102	not	70
Calves . .	78	107	188	319	available	106
Sheep . . .	62	63	213	171		67
Pigs . . .	71	97	118	199		64

Note.—These figures relate to inspected slaughter-houses only.

* Estonia and Latvia: 1913 figures relate to a somewhat smaller area than that of the present States.

† Draught oxen only.

‡ Including goats.

231 727 The increase between 1913 and 1930 may be smaller than the great development of dairy farming after the War might lead one to suppose, but the number of live stock was very considerably reduced by the War itself; and the dislocation of the years immediately following 1918 led also to the result that many of the beasts were extremely poor. During the latter part of the period the Baltic

pp. 112

The remarkable increase[1] shown in production since 1930 is partly, no doubt, due to the poor harvests in the 1926–30 period and also to the effects of the agricultural reforms carried out immediately after the War, which had scarcely had time to appear by 1930. But, both in Estonia and Latvia, the shortage of exchange induced the Government to encourage the farmers to bring more land under grain, particularly wheat, which to a large extent had been imported before this period. The average acreage under the four principal cereal crops increased by 5·1 per cent. in Estonia, 7·3 per cent. in Lithuania, and as much as 10·9 per cent. in Latvia, as between 1926–30 and 1931–5, and production of wheat was nearly doubled in Estonia between 1926–30 and 1931–5, more than doubled in Latvia. There was also a heavy increase in rye production;[2] and, as will be seen, both countries have practically ceased to import grain in normal years. Agricultural efficiency, too, has increased; in every case but one in the above table there was a rise in the yield per ha. as between 1926–30 and 1931–5. Government assistance, especially in technical education, the provision of seed, and the drainage of marsh land, was largely responsible for this development.

Progress during these years was similar as regards most of the other principal crops, especially potatoes, where there was a remarkable increase both in production and yield:

TABLE 34. *Potato Production*

	Area under crop (thousand ha.)				*Production (thousand quintals)*				*Yield (quintals per ha.)*			
	Average 1926–30	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**
Estonia	67	70	74	76	7,570	8,742	10,306	9,160	113·0	124·9	139·3	120·5
Latvia	85	105	120	127	8,458	13,363	16,115	17,817	99·2	123·7	134·3	140·3
Lithuania	141	175	179	184	15,261	20,013	21,106	25,068	108·2	114·4	115·9	136·3

* 1937: provisional figures only.

The cultivation of flax tended to decrease somewhat, owing largely to unfavourable conditions in international markets, particularly to the competition from Russia. The decrease would no doubt have been greater but for the fact that the textile industries of Estonia and Latvia tended to increase their consumption of flax after 1931 in order to save foreign exchange. The figures are shown in Table 35. On the other hand, a really important development was the growth in the cultivation of sugar-beet in Latvia and Lithuania. This was greatly encouraged by the establishment of sugar-beet factories

[1] It will be noted, however, that the harvest of 1936 was well below the 1931–5 average.

[2] In Estonia the Government has encouraged rye-growing since 1930 by purchasing the surplus crop during the autumn at fixed prices.

1: Anonymous U-4 (no date)1938 RBl Baltic State

TABLE 35. *Flax Production*

(In thousand quintals)

	Average 1926–30	*Average 1931–5*	*Year 1936*	*Year 1937**
Estonia . . .	95	65	87	113
Latvia . . .	196	152	185	257
Lithuania . . .	339	214	288	308

* 1937: provisional figures only.

257 under Government assistance. By the end of 1936 there were two
249 such factories in operation in Lithuania and four in Latvia, and the
483 production of beet sugar had increased in Lithuania to an annual average of 128,000 quintals for 1931–5 as against practically nothing in the preceding five years. In Latvia the increase was from an annual average of 29,000 quintals in 1926–30 to 315,000 quintals in 1931–5.. In 1936 Lithuania's production was 243,000 quintals, and Latvia's 382,000; and imports of sugar in both countries had been reduced to almost negligible figures.

4. DAIRY FARMING AND STOCK-BREEDING

439 It has been seen how during the earlier period dairy farming and
234 stock-breeding existed largely for the export trade. The general
231 decrease of foreign trade as the result of the crisis, therefore, made it especially important for the Baltic States to give further encouragement to this branch of activity. But a large proportion of the exports of Estonia and Latvia had been taken by the United Kingdom and Germany; and it was consequently inevitable that, owing to the trade policies pursued by these countries, particularly the latter, there should be some decrease in production. Lithuania, on the other hand, did not enter the field as a producer on a large scale until just before the beginning of the crisis, and was, therefore, able to profit by the mistakes of the other countries. As the result, there has been an almost spectacular increase in her production both of butter and of bacon; and, whereas her exports of these commodities before 1930 could not be compared with those of the other two countries, she is now by far the largest bacon exporter of the three, though it is true that her exports have recently fallen off. Lithuania also exports more butter now than Estonia, and nearly as much as Latvia. For this the energetic policy pursued by the co-operative system is largely responsible, since the production and marketing both of bacon and butter is entirely in the hands of this organization.

The reason why it has been possible for Lithuania to succeed in spite of the fact that, unlike Estonia and Latvia, she has refused to depreciate her currency, is, perhaps, that the general standard of

been able to export during recent years. The same applies to sugar, 439
at any rate as regards Latvia and Lithuania. By 1936 Latvia was [257]
able to dispense with sugar imports entirely, while in Lithuania imports were reduced to 0·4 per cent. of the total value of imports. The corollary to the increase of agricultural production is seen in the increase of imports of chemicals, largely consisting of artificial manure, and of agricultural machinery.

The other more important result of the policy of self-sufficiency 439
is the increase of industrialization. The effect of this movement 185
is shown in the decrease of manufactured textile imports in all 248
three countries, and the general increase of imports of machinery and iron and steel goods proportionately to the total. It is noteworthy, also, that in Latvia, and to a smaller extent in Estonia, there has been an increase in the proportion of imports of raw cotton and wool, and other textile fibres such as hemp and jute; even in Lithuania, by far the least industrialized country of the three, imports of raw cotton and wool amounted to 3·4 per cent. of the total in 1936 as compared with an average of under 1 per cent. in 1928–30. The increase in the proportion of coal and coke imports into Latvia, also, will be noted. Lastly, it may be mentioned that [651]
the abandonment of the gold standard by Latvia in September 1936 was followed by the reduction of Customs duties on a number of imports such as petroleum, herrings, and rice, which was dictated principally by the desire to prevent an immediate rise in the cost of living.

Changes in Exports. The economic structure of the Baltic States 439
is not such as to facilitate important changes in the nature of their export trade over a short period. Timber, butter, bacon, and flax continued to be the staple articles of export, though there was in Estonia and Latvia a slight tendency for the proportionate value of these exports to be rather smaller than before the crisis.[1] In both countries, however, there was an increase in the proportion of flax exports, and of paper-making materials. There was also a further decrease in the proportion of exports of manufactured goods. Most of the manufactured articles exported from Estonia and Latvia before the crisis went to the neighbouring countries, which, after 1931, severely restricted their imports of such goods. The most remarkable changes are, perhaps, in Lithuania's exports, namely, the increase in the proportion of butter, bacon, and grain exports,

[1] In October 1936 Latvia decided to adhere to the European Timber Exporters' Convention. The purpose of this body, formed in November 1935, is to adjust supplies to demand at a remunerative level of prices. The other members are Austria, Czechoslovakia, Finland, Poland, Rumania, Sweden, the U.S.S.R., and Yugoslavia. For 1937 it was decided to limit exports from these countries to 4,000,000 standards, of which Latvia's share was to be 127,000 standards. During 1938 there is to be a reduction of 15 per cent. in the quota. 648 439

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB2
Poland EA2

instead of being water retted as in other parts of Lithuania. Prepared by such methods, flax fiber is of low quality, although this is offset by a rich yield of valuable linseed. In other parts of Lithuania flax is plucked before reaching full maturity. Flax plucked at this state produces linseed of low quality, but the flax fiber is undoubtedly very strong and fine.[82]

The concentration of flax exports since 1932 in the coöperative concern Lietukis has raised the quality and reputation of Lithuanian flax. Continued progress in this respect will no doubt be reflected in better prices and greater profits.

TABLE 18

PRODUCTION OF FLAX IN THE BALTIC STATES AND POLAND

(*In Thousands of Quintals*)

YEAR	LITHUANIA	LATVIA	ESTONIA	POLAND
1925–29 (av.)	364	221	100	561
1930–34 (av.)	208	141	66	323
1934	222	162	71	308
1935	319	248	105	398
1936	288	185	87	372
1937	313	231	103	381
1938	258	214	74	399
1939	289	192	62	(*a*)

[a] Figure not available.

The importance of flax, tow, and linseed in the exports of Lithuania may be observed from the fact that in 1924 they constituted 26 percent of Lithuania's total exports; in 1926, 7 percent; in 1928, 20 percent; in 1930, 10 percent; in 1937, 15 percent; in 1938, 11 percent; and in 1939, 17 percent.

[82] Krikscziunas, *op. cit.*, p. 101.